

### **REMARKS/ARGUMENTS**

Applicants acknowledge receipt of the final office action dated September 23, 2004, in which the Examiner rejected claims 23, 25, 28-32, 34, 38-41, 43, 44, 47, 48, 65-76, 78-85, 87 and 89-103. Applicants respectfully request withdrawal of the rejections for the following reasons.

The Examiner rejects claim 23, 25, 28-32, 34, 38, 40, 41, 43, 44, 65-71, 73-76, 78-85, 87 and 89-103 under 35 U.S.C. 102(e) as anticipated by Zadraba (US 6,227,314). Claims 39, 47, and 48 were rejected under 35 U.S.C. 103(a) as obvious in light of Zadraba and Nguyen (US 5,494,123) or Coates (Re 32,495).

The Applicants respectfully acknowledge the Examiner's indication of allowable subject matter in claims 24, 49-52 and 77 and the allowability of claims 26, 27, 35, 36, 42, 45 and 46.

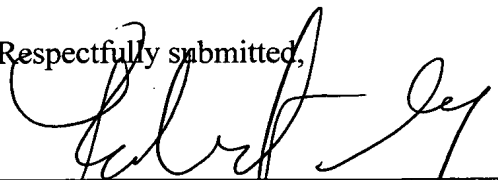
In response, the Applicants have incorporated the limitations of claim 24 into claim 23. Applicants would also point out that the requirement of claim 23 of the inserts being located from 150 to 360 degrees around the circumference of the drill bit body has been removed. This is believed to be proper for numerous reasons. One, while every limitation in a claim is important and the claim must be taken as a whole, the point of patentability for previous dependent claim 24 is by definition in claim 24. Because the location of the inserts is not necessary to the junk slot recited in previous claim 24 (now incorporated in claim 23), claim 23 as amended would appear still to be patentable. No new issue is introduced because the Examiner has already previously considered the patentability of the subject matter of claim 24, now incorporated into claim 23. Second, the Applicants respectfully submit that the Examiner has misinterpreted the teachings of Zapadra with regard to the location of inserts. For example, one of the points the Examiner uses to establish the location of inserts on the body is actually the cutting element of a roller cone. The Applicants reserve the right to pursue patentability of this subject matter in a continuation application, and not in this application.

Because claim 23 is now considered allowable, it follows that the Applicants have overcome the rejection of claims 25, 28-32, 34, 38-41, 43, 44, 47-48, 65-76, and 78-84, 97-103, each of which depends from claim 23. Claims 99-101 were amended to provide antecedent support for the term "inserts". Applicant has rendered moot the rejection of claims 85, 87, and 89-96 by their cancellation.

Allowance of all pending claims is believed proper.

If the Examiner has any questions or requests, he is respectfully urged to contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Robert M. Gray', is written over a horizontal line.

ROBERT M. GRAY

Reg. No. 41,798

CONLEY ROSE, P.C.

P. O. Box 3267

Houston, Texas 77253-3267

(713) 238-8000

ATTORNEY FOR APPLICANT